

(b) When in the opinion of the Administrator or his representatives it may appear necessary, it shall be the duty of each licensed warehouseman to fumigate thoroughly his licensed warehouse with such chemicals as may be approved by the Administrator for that purpose.

§ 737.33 Package identification.

A warehouseman shall mark, stencil, or tag each package of tobacco received for storage in his warehouse with a number by which the identity of such package will be preserved. Such numbers shall be in numerical sequence or any series of numerical sequences approved by the Administrator or his representative, shall be made with some durable substance, and shall be clear and legible. If tags are used they shall be made of substantial material and securely attached to the packages.

§ 737.34 Package arrangement.

(a) A warehouseman shall arrange the tobacco stored in his warehouse so that each package of each depositor can be readily removed for inspecting, weighing, or delivering, and he shall arrange each package of tobacco in his warehouse so that the identification number thereon required by § 737.33 is visible and readily accessible, but when the Administrator shall find that it is not practicable to arrange each package so that the identification numbers are visible and accessible, he may authorize the warehouseman to arrange the packages of tobacco in rows and keep in the warehouse a card or chart upon which shall be clearly shown the identification number of each package stored in each row. Such authorization may be withdrawn at any time that the warehouseman fails to observe this requirement or to keep his record current.

(b) If, at any time, a warehouseman shall be offered tobacco in such quantity for storage so as to exceed the capacity of his warehouse, as shown in his license, he shall not accept such tobacco until he has first secured authority through an amended license, and after such authority has been granted the warehouseman shall continue to arrange the tobacco in accordance with

paragraph (a) of this section, and so as not to obstruct free access to the tobacco and the proper use of sprinkler or other fire protection equipment provided for the warehouse.

§ 737.35 Care of stock and equipment.

Each warehouseman shall at all times, including any period of suspension of his license, exercise such care in regard to tobacco in his custody as a reasonably careful owner would exercise under the same circumstances and conditions. He shall see that the sprinkler or other fire protection equipment, if any, provided for his warehouse is maintained in proper working order.

§ 737.36 Care of other commodities.

If, at any time, a warehouseman shall handle tobacco other than for storage, or shall handle or store any other commodity, he shall so protect the same, and otherwise exercise such care with respect to it, as not to endanger the tobacco in his custody as a warehouseman or impair his ability to meet his obligations and perform his duties under the act and the regulations in this part. If the warehouseman shall store commodities other than those for which he is licensed, a non-licensed receipt shall be issued, which shall contain in its terms a provision that such commodities are accepted for storage only until such time as the space which they may occupy may be needed for products for the storage of which the warehouseman is licensed. Under no circumstances shall any commodities for the storage of which the warehouseman is not licensed be stored if the storage of such commodities might adversely affect the commercial value of, or impair the insurance on, tobacco covered by licensed receipts.

§ 737.37 Removal of tobacco in storage.

Except as permitted by law or the regulations in this part, a warehouseman shall not remove any tobacco in storage from the part of the warehouse shown in the receipt to another part covered by the license, or to any other licensed warehouse, without first securing the receipt and indorsing on it the fact and date of such removal and making an identical indorsement on

the copy of the original receipt. If the insurance on any tobacco would be affected by such removal, prior to removal the warehouseman shall obtain the consent in writing of the holder of the receipt. In the event it should be necessary for purposes of proper sampling and inspecting to move temporarily tobacco from the licensed warehouse, or licensed compartment shown on the outstanding receipt to another licensed warehouse or licensed compartment, removal for such purpose may be made without recalling the outstanding receipt upon compliance with the following conditions:

(a) That such tobacco will be moved only upon specific instructions of the depositor of the tobacco when title to the tobacco remains in him, or of the holder of the receipt, such instructions to be reduced to writing and filed by the warehouseman with his other warehouse records. Said instructions shall show by marks or numbers the specific tobacco to be moved, the warehouse or compartment from and to which the tobacco is to be moved, the date of removal and upon return to the warehouse or compartment from which removed the warehouseman shall indicate the date of return.

(b) That said tobacco so removed shall be fully covered by insurance against loss by fire, lightning, tornado, or theft both while in transit to and from the licensed warehouse or licensed compartment shown in the outstanding receipt and while in the warehouse in which it is being sampled and inspected.

(c) That no such removal from one licensed warehouse or licensed compartment to another licensed warehouse or licensed compartment shall take place while Department examiners are engaged in making inspections except as the chief of the inspection party may approve.

Under no other circumstances, unless it becomes absolutely necessary to protect the tobacco, shall tobacco covered by receipts issued under the act be removed from a warehouse, except as provided in § 737.21. In case it becomes necessary to remove tobacco from a warehouse prior to the surrender of the receipts, the warehouseman immediately upon such removal, shall notify

the Service of such removal and the necessity therefor.

§ 737.38 Handling and storing; care.

A warehouseman shall not handle or store tobacco in such a manner as will injure or damage the tobacco or the packages containing the tobacco.

§ 737.39 Tobacco out of condition.

(a) If the warehouseman, with the approval of a licensed inspector or grader shall determine that any tobacco is deteriorating and that such deterioration can not be stopped, the warehouseman shall give immediate notice of the fact in accordance with paragraphs (b) and (c) of this section.

(b) Such notice shall state: (1) The warehouse in which the tobacco is stored; (2) the actual condition of the tobacco as nearly as can be ascertained, and the reason, if known, for such condition; (3) the outstanding receipts covering the tobacco out of condition, giving the number and date of each such receipt and the type, grade, form, condition, and weight of the tobacco as stated in each such receipt; and (4) that such tobacco will be delivered upon the return and surrender of the receipts therefor.

(c) A copy of such notice shall be delivered in person or shall be sent by mail (1) to the persons holding the receipts, if known to the warehouseman; (2) to the person who originally deposited the tobacco; (3) to any other persons known by the warehouseman to be interested in the tobacco; and (4) to the Administrator. Public notice shall also be given by posting a copy of such notice at the place where the warehouseman is required to post his license. A copy of such notice shall be kept as a record of the warehouse. If the holders of the receipts and the owners of the tobacco are known to the warehouseman and cannot, in the regular course of the mails, be reached within 36 hours, the warehouseman shall, whether or not requested so to do, also immediately notify such persons by telegraph or telephone at their expense.

(d) Any person financially interested in any tobacco or the receipt covering such tobacco stored in a licensed warehouse may, in writing, notify the warehouseman of the fact of his interest,